

ILLINOIS COMMERCE COMMISSION

ILLINOIS CONSOLIDATED
TELEPHONE COMPANY)

PETITION FOR AUTHORITY)
TO DISCONTINUE OR ABANDON)
EXTENDED AREA SERVICE)
BETWEEN CHARLESTON)
AND ASHMORE)

Docket 00-0528

CHIEF CLERK'S OFFICE

JUL 27 10 41 AM '00

ILLINOIS
COMMERCE COMMISSION

PETITION

Illinois Consolidated Telephone Company ("ICTC" or "Petitioner"), by its attorneys, pursuant to Section 220 ILCS 5/13-406 requests approval from the Illinois Commerce Commission ("Commission") to discontinue Extended Area Service ("EAS") between the Illinois cities of Charleston and Ashmore, and states as follows:

1. ICTC is a corporation duly organized and existing under the laws of the State of Illinois. Petitioner is a "telecommunications carrier" as defined by Section 13-202 of the Public Utilities Act ("PUA") and authorized by the Commission to provide telecommunications services in several Central Illinois communities, including Charleston and Ashmore. ICTC is the incumbent local exchange carrier ("ILEC") in both exchanges.

2. ICTC owns and operates telecommunications facilities over which it provides intrastate, intraMSA local exchange and interexchange competitive and non-competitive telecommunications services, as those terms are defined by Sections 13-203, 13-209 and 13-210 of the PUA, to customers in several cities and communities in the State of Illinois.

3. ICTC is obligated by its local exchange tariff (see Attachment 1, Illinois Consolidated Telephone Company General Exchange Tariff No. 2) to provide EAS service between Charleston and Ashmore, Illinois. EAS service permits callers from the

Charleston exchange to make unlimited calls to end users in the Ashmore exchange for a flat monthly fee of \$1.10/line, which fee is added as an EAS surcharge on the monthly billing statement of all local customers.

4. In 1998, the Charleston City Council passed a resolution requesting that ICTC abolish the \$1.10/line EAS surcharge, and if necessary, to treat telephone calls from Charleston to Ashmore as toll calls. At the direction of the Commission, ICTC recently conducted a survey for the removal of the EAS route between Charleston and Ashmore, which shows that a significant majority of the Charleston customer base favors removal of the EAS route.

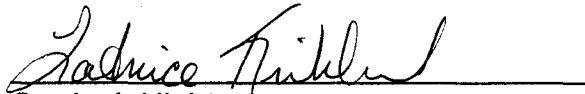
5. Given the survey results and the City Council Resolution, ICTC believes that it is appropriate to discontinue EAS service between the Charleston and Ashmore exchanges, and that the abandonment of this service is in the public interest. Many consumers will benefit in the form of reduced monthly charges for local service through the elimination of the monthly EAS surcharge. Consumers that wish to make telecommunications calls from the Charleston exchange to Ashmore will still be able to make the call using a toll service for a reasonable rate. Thus, consumers will still have access to the telecommunications service that ICTC proposes to discontinue, just at a different, but yet reasonable, charge.

6. Attached to the Petition and designated as ICTC Exhibit No. 1.0 is the Direct Testimony of Edward Pence, Director of Regulatory Affairs for ICTC. Mr. Pence's testimony explains how the proposed discontinuance of EAS service will not deprive customers of any necessary or essential telecommunications service and why the discontinuance is in the public interest.

WHEREFORE, Illinois Consolidated Telephone Company respectfully requests that the Commission enter an order:

- (1) approving the discontinuance of EAS service between Charleston and Ashmore, and
- (2) granting such other and further relief as the Commission deems appropriate.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Latrice Kirkland", is written over a horizontal line.

Carrie J. Hightman
Latrice Kirkland
SCHIFF HARDIN & WAITE
6600 Sears Tower
Chicago, Illinois 60606
(312) 258-5657

Counsel for PETITIONER

STATE OF ILLINOIS)
)
COUNTY OF COOK)

VERIFICATION

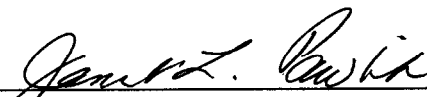
I, Latrice Kirkland, being first duly sworn upon oath depose and say that I am an attorney for Illinois Consolidated Telephone Company; that I am authorized to make this Verification on their behalf; that I have read the above and foregoing Petition by me subscribed and know the contents thereof; and that said contents are true and correct to the best of my knowledge, information and belief.



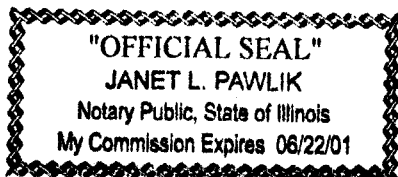
Latrice Kirkland

Counsel for
PETITIONER

Subscribed and Sworn
to before me this
26th day of July, 2000.



Notary Public



ILLINOIS CONSOLIDATED TELEPHONE COMPANY
General Exchange Tariff

Ill. C. C. No. 2

Section 3

Eighth Revised Sheet No. 4

Cancelling Seventh Revised Sheet No. 4

LOCAL SERVICES

A. BASIC EXCHANGE TELEPHONE SERVICE (Cont'd)

3. Local Exchange Service Rate Component Classification and EAS Component (Monthly)

- a. The classes and grades of service listed on Sheet No. 2 of this Section are available within each exchange as listed in the Rate Schedule below. (N)
- b. The monthly rate applicable to a particular class and grade of Basic Exchange Telephone Service equals the sum of the appropriate Local Exchange Service Rate Component designated by Rate Group assignment, and the Extended Area Service Rate Component shown in the Rate Schedule below. (N)

C. Rate Schedule

EXCHANGE	RATE GROUP	EAS COMP.	EXTENDED AREA SERVICE IS PROVIDED TO:	(D)
Arcola	2	2.50	Humboldt, Oakland	
Arthur	2	1.60	Atwood	
Ashmore	4	2.10	Charleston, Oakland	
Assumption	1	-	-	
Atwood	2	2.50	Arthur, Hammond	
Blue Mound	1	-	-	
Charleston	3	1.10	Ashmore	
Cowden	3	3.05	Beecher City, Shelbyville	
			Tower Hill	
Edinburg	3	2.50	Taylorville	
Effingham	3	2.50	Shumway, Sigel,	
			Teutopolis, Watson	
Farmersville	1	2.05	Raymond	
Gays	4	3.35	Humboldt, Mattoon,	
			Sullivan, Windsor	
Hillsboro	2	-	-	
Humboldt	4	2.40	Arcola, Gays, Mattoon,	
			Windsor	
Irving	3	2.50	Hillsboro, Witt	
Kincaid	3	1.70	Taylorville	
Litchfield	2	-	-	
Martinsville	1	-	-	
Mattoon	4	-	-	
Morrisonville	3	2.90	Raymond, Taylorville	
Mt. Auburn	1	-	-	(D)

RECEIVED
MAR 19 1987ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

Issued MAR 19 1987

Effective MAY 4 1987

By RICHARD A. LUMPKIN, President
Mattoon, Illinois

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 00-0000

PREPARED TESTIMONY OF EDWARD B. PENCE

- 1 1. Q. Please state your name and business address.
- 2 A. My name is Edward B. Pence. My business address is 121 South
- 3 Seventeenth Street, Mattoon, Illinois, 61938.
- 4 2. Q. On whose behalf are you testifying in this proceeding?
- 5 A. I am testifying on behalf of Illinois Consolidated Telephone Company
- 6 ("ICTC"). ICTC is the incumbent local exchange carrier ("ILEC") carrier in
- 7 East Central Illinois, including Charleston and Ashmore.
- 8 3. Q. Please summarize your educational background and professional
- 9 experience.
- 10 A. I graduated from Eastern Illinois University with a Bachelor of Arts Degree in
- 11 1976. I began working for ICTC in 1979 as a Management Trainee. I held
- 12 various supervisory positions in the customer service area until 1984 when
- 13 I was promoted to Measured Services Administrator in the Regulatory
- 14 Section. In that position, I had responsibility for developing and
- 15 implementing the Primary Toll Carrier plan that was ordered by the Illinois
- 16 Commerce Commission ("ICC" or "Commission"). I took on additional duties
- 17 in the regulatory area and was involved in most regulatory issues with which
- 18 ICTC and its parent company, Consolidated Communications Incorporated
- 19 ("CCI") were involved at the state and federal levels. In 1989, I was named

1 Regulatory Manager and, in January 1991, Senior Manager of Regulatory
2 Services for CCI.

3 After the merger of CCI and McLeodUSA Incorporated in September
4 1997, I continued to work on key state regulatory issues in conjunction with
5 the McLeodUSA Law Group organization. In March 2000, I was promoted
6 to Director of Strategic Planning and Regulatory Services.

7 4. Q. What are your responsibilities in your current position?

8 A. My primary responsibility is to direct ICTC's efforts to meet its strategic goals,
9 which will enable it to expand service offerings, including the addition of
10 advanced data services, improve service to customers, and enhance
11 shareholder value. I also represent ICTC at hearings, workshops and
12 meetings.

13 5. Q. Have you previously testified before this Commission?

14 A. Yes, I have testified in numerous proceedings before this Commission.

15 6. Q. What is the purpose of your testimony in this proceeding?

16 A. The purpose of my testimony is to explain and support ICTC's proposal in
17 this proceeding to discontinue extended area service ("EAS") between
18 Charleston and Ashmore exchanges.
19

1 7. Q. What is EAS service?

2 A. EAS service permits a caller in one exchange to make a telephone call to an
3 end user in another exchange as if it were a local call. ICTC assesses a
4 \$1.10 per line monthly surcharge to provide EAS service between the
5 Charleston and Ashmore exchanges.

6 8. Q: Why is ICTC proposing to discontinue offering EAS service between
7 Charleston and Ashmore?

8 A: In 1998, the Charleston City Council passed a resolution requesting that
9 ICTC abolish the \$1.10 per line EAS surcharge, and if necessary, to treat
10 telephone calls from Charleston to Ashmore as toll calls. After receiving the
11 resolution, ICTC called the Commission to inquire about the proper
12 procedure to follow. At the direction of the Commission, ICTC recently
13 conducted a consumer survey regarding removal of the EAS route between
14 Charleston and Ashmore. The survey results showed that a significant
15 majority of the Charleston customer base favors removal of the EAS route.

16 ICTC Exhibits 1.1 and 1.2 are a copy of the Charleston City Council
17 Resolution and the Commission notification of the survey results,
18 respectively.

19 9. Q: Will the discontinuance of EAS service deprive customers of any necessary
20 or essential telecommunications service?

21 A: No, consumers will still be able to make telephone calls between the
22 exchanges by making an intraLATA long distance call using the same seven

1 digit dialing pattern. Thus, I don't believe discontinuance of EAS service
2 deprives consumers of a telecommunications service.

3 If the discontinuance is approved, consumers will continue to have
4 access to the same service, but the revised service will be governed by a
5 different rate structure -- the rate will be based on minutes of usage at the
6 intrastate toll rate versus a monthly flat fee.

7 As a result, customers in Charleston that do not place calls to an end
8 user in Ashmore on a monthly basis will likely see a decrease in their overall
9 charges from ICTC. Customers that make such calls on a regular basis may
10 avail themselves of ICTC discount plans such as "Pick a Point" which offers
11 up to a 30% discount. Customers could also subscribe to 800 or WATS
12 services if they place a significant number of calls between the exchanges.
13 Finally, since ICTC also offers 2-PIC intraLATA presubscription, customers
14 also have the option of picking another carrier to carry their intraLATA calls
15 between Charleston and Ashmore, should another carrier offer a better price.

16 10. Q: Is the discontinuance of the EAS service in the public interest?

17 A: Yes, the consumer survey results, which show that a significant majority of
18 customers favor removal of the EAS route, confirm that discontinuance of
19 EAS service is in the public interest. Given the alternatives consumers will
20 have to make calls between the exchanges should EAS be discontinued,
21 consumers will not be harmed or lose access to a telecommunications
22 service.

11. Q: What steps will be necessary to implement the discontinuance if approved by the Commission?

A: To the best of my knowledge, the required steps include issuing notice to consumers of the discontinuance of EAS service, filing amended tariff pages showing elimination of the monthly surcharge for EAS service, and making the necessary changes to ICTC's billing system to stop billing consumers the monthly EAS surcharge. In addition, we will comply with whatever requirements the Commission deems appropriate.

12. Q. Does this conclude your testimony?

A. Yes, it does.

City of Charleston

"The Friendly City"

Roscoe M. Cougill - Mayor



MUNICIPAL BUILDING

520 JACKSON AVENUE

CHARLESTON, ILLINOIS 61920

217/345-2484(CITY)
FAX: 217/345-7554

March 28, 2000


Joe Dively
Illinois Consolidated Telephone Company
121 South 17th Street
Charleston IL 61920

Dear Joe,

Per our discussion 28 March 2000, the attached Resolution requesting abolishment of the one dollar and ten cent (\$1.10) per month surcharge providing Extended Area Service to Ashmore from Charleston is forwarded for your action. If I may be any help please feel free to contact me at 345-5650.

Sincerely,

CITY OF CHARLESTON


Roscoe M. Cougill
Mayor

Enc

Commissioners:

Marge Knoop

John Winnett

Bruce Scism

Larry Rennels

R E S O L U T I O N

98-R- 86

RESOLUTION REQUESTING THE ABOLISHMENT OF TELEPHONE SURCHARGE

WHEREAS, Consolidated Communications/McLeod USA is the provider of telephone services to the residents of the City of Charleston; and

WHEREAS, each user of Consolidated Communications/McLeod USA pays a per month surcharge of One Dollar and Ten Cents (\$1.10) for the purposes of making telephone calls from Charleston, Coles County, Illinois to Ashmore "local calls"; and

WHEREAS, the treatment of telephone calls from Charleston to Ashmore as local calls does not constitute a benefit to the citizens of the City of Charleston warranting a One Dollar and Ten Cent (\$1.10) per month surcharge; and

WHEREAS, it is in the best interests of the citizens of Charleston that the surcharge imposed by Consolidated Communications/McLeod USA be abolished and the individual phone users charges be reduced accordingly.

NOW BE IT THEREFORE RESOLVED by the City Council of the City of Charleston, Coles County, Illinois, that Consolidated Communications/McLeod USA is hereby requested and urged to abolish the One Dollar and Ten Cent (\$1.10) per month surcharge upon telephone bills of the residents of the City of Charleston utilizing Consolidated Communications/McLeod USA telephone services and, if necessary, treat telephone communications from Charleston and Ashmore as toll calls.

INTRODUCED this 15th day of DECEMBER, 1998.

APPROVED this 15th day of DECEMBER, 1998.

PASSED this 15th day of DECEMBER, 1998.

R. M. Conigli
Mayor

ATTEST:

L. J. J. J.
City Clerk

resolu\surcharg.res

20-C

**ILLINOIS COMMERCE COMMISSION**

June 22, 2000

Ms. Paula J. Carpenter
Regulatory Services
Illinois Consolidated Telephone Company
121 South 17th Street
Mattoon, IL 61938

Dear Paula,

The survey for the removal of the Extended Area Service route between Charleston and Ashmore has been concluded and the ballots have been tallied. The final count is:

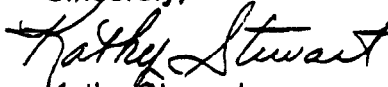
3,952 votes to remove EAS route
969 votes to retain EAS route
122 votes were invalid

5,043 votes received in total

Due to the number of ballots received, the survey results are valid and indicate that the customer base favors removal of this EAS route. However, before the service can be terminated, the company must comply with the directives of the Public Utilities Act and must petition the Commission for permission to abandon a noncompetitive service offering.

If you have any questions, feel free to call me at (217)524-5069.

Sincerely,


Kathy Stewart
Utility Analyst